

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6690

BILL NUMBER: SB 523

NOTE PREPARED: Apr 19, 2005

BILL AMENDED: Apr 4, 2005

SUBJECT: Assistance for Reentry Court Program Participants.

FIRST AUTHOR: Sen. Wyss

FIRST SPONSOR: Rep. Borror

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill makes permanent a temporary law that permits certain drug offenders participating in a reentry court program to receive Food Stamps or Temporary Assistance for Needy Families (TANF).

Effective Date: July 1, 2005.

Explanation of State Expenditures: Under this bill, an offender who has been convicted of a drug-related offense after August 22, 1996, and participates in a reentry court program would be eligible for Food Stamp benefits or the Temporary Aid to Needy Families (TANF) Program.

Currently, Allen County has the only reentry court program in Indiana to which the temporary law applies, allowing participants in the program eligibility for Food Stamps and TANF assistance. Information from the Reentry Court Program indicates that in one year of the program, two offenders received an average of 7.0 months of TANF with total benefits of \$3,908, and 43 participants received an average of 6.1 months of food stamps with total benefits of \$33,909.

Applicability to Other Counties: There are other counties, such as Marion, Vanderburgh, and Bartholomew, that may have programs that meet the qualifications under the bill for a reentry court program. Without regard to date of release, there are 1,463 offenders from these three counties in the current prison population who would be eligible for Food Stamp benefits or TANF programs under the bill if they were to be placed in a reentry court program. There is no information to indicate whether the programs in these counties would qualify under the bill, if these offenders would qualify for a reentry court program, or if the offenders would be eligible

for benefits under the guidelines of the Food Stamp and TANF programs.

Background on Funding Under the TANF Program - TANF assistance is shared between state and federal governments. However, the federal share is provided through a capped block grant allocation with a state maintenance-of-effort (MOE) requirement. The additional expenditures required under this bill would not affect the block grant allocation received by Indiana.

TANF block grant allocations are determined on a formula basis with increased flexibility for their use by the states over what was permitted under the prior Aid to Families with Dependent Children Program. States may use TANF funds in any “manner reasonably calculated to accomplish the purpose of TANF. TANF services can include a monthly cash assistance grant, eligibility for the Medicaid Program, and access to other programs and services designed to help recipients achieve economic self-sufficiency.

The maximum monthly cash grant as provided in statute is \$139 for a family size of one, \$229 for a family size of two, and an additional \$58.50 for each additional person. Cash assistance is limited to 24 months for parents and caretakers, and a 60-month limit on assistance exists for the entire assistance group.

Background on Funding Under the Food Stamps Program: Food Stamp benefits are federally funded with administrative expenditures equally shared between the state and federal government. The state’s responsibility is primarily in application processing, eligibility determination, and benefit issuance.

Food Stamp benefits are used for eligible food items and for plants or seed to grow food to eat. Benefit levels depend on household size, net monthly income, and inflation-indexed maximum monthly benefit levels. The benefit is calculated taking into account the household’s expected gross income minus certain allowable deductions.

Background on Allen County Reentry Court Program: Since inception in 2001, the Allen County Reentry Court Program has had about 416 participants and 491 entries into the program. [Some offenders who fail a first attempt at the program are readmitted.] A drug offense is the primary offense for 160 of 416 (38.5%) of these offenders. Between July 1, 2003, when the temporary law went into effect, and October 11, 2004, a total of 44 offenders received Food Stamp benefits, TANF programs, and/or IMPACT services.

A Division of Family and Children (DFC), Family and Social Services Administration representative met with the Reentry Court Program participants to help file for assistance. The representative was available one day a week for initial appointment, and a follow-up appointment if eligibility for benefits was established.

In an evaluation of the pilot 12-month program that offers judicial supervision to offenders released from Department of Correction facilities, it was found that re-arrest rates for offenders in the program were lower than in other comparison groups. A cost-benefit analysis contained in the evaluation indicates 12-month cumulative savings of \$1,952,907 for 209 participants reviewed.

Background on Federal Opt-Out Provision: Federal regulations provide that an individual convicted of a felony involving the possession, use, or distribution of a controlled substance is not eligible for benefits under the Food Stamp Program or the TANF Program. However, states may opt out of this federal prohibition. The current statute opting Indiana out of the federal requirement is due to expire June 30, 2005. This bill provides that the state elects to, again, opt out of the federal prohibition for individuals successfully participating in a reentry court program in any county in Indiana.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected: Reentry courts.

Information Sources: *Issues Relating to the Organizational Structure of the Office of the Secretary of Family and Social Services: FSSA Program Inventory*, August 2004, Legislative Services Agency; Stan Pflueger, Director of Reentry Court, Allen County Community Corrections, stan.pflueger@co.allen.in.us; Lombard, Ph.D., David N., *Allen County ReEntry 2 Year Pilot Study*, September 9, 2004.

Fiscal Analyst: Karen Firestone, 317-234-2106.